

to the nearest cent), without deduction or setoff or previous demand thereof, subject to Paragraph 6, on the first (1st) day of each calendar month during the Basic Term and the Option Terms, if any ("Base Rent"), adjusted as provided in Paragraph 4(c) below.

(b) During the Initial Term and continuing until the October 15, 1993, the Lessee shall pay one-half (1/2) Landlord's monthly note interest expense. Lessee's share of note interest shall not exceed \$5,500.00 per month. Commencing on October 15, 1993, lessee shall pay Landlord's full monthly note interest expense. In addition, during the Initial Term, Lessee shall pay all utility costs. Commencing with the Basic Term, Tenant shall pay the full Base Rental and Operating Expenses as set forth in Sections 4(a), 6 and 7 of this lease agreement.

(c) The Base Rent shall be adjusted each twelve (12) month period on the anniversary date of the Basic Term and the Option Terms, if any, on which date, and annually thereafter, the Base Rent will be increased by an amount equal to three percent (3%) per annum, except that at the beginning of the Option Periods the <sup>Base</sup> Rent shall be adjusted in accordance with Section 3(b)(2), ~~and~~ thereafter, adjusted each twelve (12) month period on the anniversary date of the Option Terms, as applicable, by an amount equal to three percent (3%) per annum.

(d) For the purposes of this Lease, the Base Rent, as adjusted, and all other costs and expenses ~~which~~ Lessee is obligated to pay to Landlord, such expenses which are further defined in Sections 6 and 7, hereunder shall be hereinafter sometimes referred to collectively as "Rentals" or "Rental." The following Landlord expenses are specifically excluded from being charged to Tenant: interest and amortization of funds borrowed by Landlord, whether secured or unsecured; depreciation of the building; franchise taxes or other such taxes imposed on or measured by the income of Landlord from the operation of the Building; capital expenditures (except improvements that otherwise reduce Operating Expenses); salaries, wages or other compensation paid to officers or executives of Landlord in their capacities as such; expenses for repairs, replacements or improvements rising out of the initial construction of the Building, to the extent that such expenses are either reimbursed to Landlord by virtue of warranties from contractors or suppliers or result from material deficiencies in design or workmanship; management fees; any amounts paid to any person, firm or corporation related to or otherwise affiliated with Landlord or any general partner of Landlord; accounting and/or legal fees other than those incurred in the normal maintenance and operation of the Building; costs of repairs incurred by reason of fire, casualty or condemnation to the extent Landlord received compensation therefore through insurance proceeds or condemnation awards; costs related to maintaining Landlord's existence as a partnership, including but not limited to, partnership organizational or administrative expenses, filing fees, legal and/or accounting fees; interest or penalties arising by reason of Landlord's failure to timely pay any Operating Expenses; and costs incurred to remove any hazardous or toxic wastes, materials or substances from either the Building or the Land, unless such hazardous or toxic wastes, materials or substances were used by, brought on the Land by and/or the responsibility of the Tenant.

(e) Unless otherwise stated herein, Lessee shall promptly pay all Rentals and other charges payable to Landlord in cash or by check to Reston Property Investors Limited Partnership, Suite 175, 1410 Springhill Road, McLean, Virginia, 22102 or to such other person(s), corporation(s) or entity(ies) and at such other place as shall be designated by Landlord in writing at least ten (10) days prior to the next ensuing rental payment date.

5. Late Payments. In the event that Lessee makes its Rental payment, or pays any other charges due Landlord, after the fifteen day of the month, then and in that event, Lessee shall pay as a part of the next Rental payment a late charge as additional rent hereunder in the amount of four percent (4%) of the amount due. The election by Landlord to collect or

accept interest in an amount less than the total amount due on any past-due payments of Rental shall not constitute a waiver of Landlord's right to declare a default for non-payment of Rental hereunder. Failure of Lessee to pay the late charge as required by this Paragraph five (5) days after receipt of written notice shall constitute an additional Event of Default hereunder.

6. Rent to be Net to Landlord/Abatement of Rent.

(a) It is the intention of the parties that the Base Rent payment hereunder shall be net to Landlord, so that, except as hereinafter expressly provided to the contrary, this Lease shall yield to Landlord the net Base Rent specified herein during the term of this Lease, and that all costs, expenses and obligations of every kind and nature whatsoever relating to the Demised Premises shall be paid by the respective parties as set forth in this Lease.

(b) Except as otherwise specifically provided in this Lease in Paragraph 6(c) below, and provided Landlord is in compliance with Paragraph 8(a) or the last sentence of 8(b), no abatement, refund, offset, diminution or reduction of Rental charges or other compensation shall be claimed by or allowed to Lessee or any person claiming under it, under any circumstances, whether for inconvenience, discomfort, interruptions of business, or otherwise, arising from the making of alterations, changes, additions, improvements or repairs to any buildings or improvements on, the Demised Premises or the Property, by virtue or because of any present or future governmental laws, ordinances, or for any other cause or reason.

(c) In the event that (i) Lessee obtains a final money judgment against Landlord (i.e. all appeals have been exhausted) as a result of Landlord committing an Event of Default and failing to cure such default after proper notice; (ii) the holder of any mortgage encumbering the Property fails to diligently pursue to cure such Event of Default after notice from Lessee; and (iii) Landlord's estate or interest in the Property is not sufficient to satisfy Lessee's final money judgment, then and only then shall Lessee have the right to offset Base Rent to the extent that Landlord's interest or estate in the Property does not satisfy the judgment.

7. Taxes, Utility Expenses and Insurance Costs.

(a) Utilities. (1) Lessee shall, beginning on the Rent Commencement Date and continuing thereafter during the entire term of this Lease including any exercised extensions, pay and discharge punctually as and when the same shall become due and payable, the Utility Expenses. For the purposes of this Lease "Utility Expenses" shall mean all sewer rents and charges for water, steam, heat, gas, hot water, electricity, air-conditioning, light and power, television, cable and telephone and other communication services or other services furnished, used rendered or supplied upon, in or to the Demised Premises during the term of this Lease (the "Utilities"). Lessee shall apply for all Utilities and contract directly with all companies or agencies supplying the Utilities to the Demised Premises so that all invoices for the Utility Expenses are sent directly to Lessee by the Utility companies or agencies.

(2) In the event that Lessee shall fail to pay any such Utilities Expenses pursuant to this Paragraph, after the same shall become due and payable, and such failure shall continue for five (5) days after notice by Landlord to Lessee, Landlord shall have the right, at its option, to pay the same with all interest and penalties thereon, and the amount so paid, with interest thereon from the date of such payment at the rate of ten percent (10%) per annum, shall be deemed to be additional rent hereunder and shall be due and payable by Lessee on the first day of the month following the month in which payment by Landlord was made and written notice thereof was sent to Lessee.

(3) Lessee expressly agrees that Landlord is not, nor shall it be, required to furnish to Lessee or any other occupant of the Demised Premises during the entire term of this Lease including any extensions, any Utilities. Landlord, upon the request of Lessee and at the sole expense and liability of Lessee, will join with Lessee in any application required for obtaining or continuing any of the foregoing Utility services. Except as otherwise provided in the Lease, Landlord agrees to take no action which would interfere with and deprive Lessee of Utility service.

(b) **Taxes.** (1) Lessee shall, beginning on the Rent Commencement Date and continuing thereafter during the entire term of this Lease including any exercised extensions, pay to Landlord, or the appropriate taxing authority, all amounts to be paid by Landlord for Taxes payable with respect to the period commencing on the Rent Commencement date. For the purposes of this Lease "Taxes" shall mean all real estate taxes, special and general assessments (excluding any special or general assessments levied as a result of any future rezoning of the Property), and all other governmental impositions and charges of every kind and nature whatsoever relating to real estate, extraordinary as well as ordinary, whether or not now customary or within the contemplation of the parties hereto, on each and every installment thereof which shall or may during the entire term of this Lease including any extensions be charged, levied, laid, assessed, imposed, become due and payable, or liens upon or for or with respect to the Demised Premises, the Property or any part thereof, or any buildings, appurtenances or equipment thereon or therein or any part thereof, together with all interest and penalties thereon, under or by virtue of all present or future laws, ordinances, requirements, orders, directives, rules or regulations of the Federal, State, County, Town and City Governments and of all other governmental authorities whatsoever. Taxes shall not include (i) any interest or penalties incurred by reason of Landlord's failure to timely pay the Taxes when due as long as such failure was not caused by Lessee's failure to timely pay Landlord the amount of Taxes due in accordance with the Paragraph 7(b)(2) below and (ii) any business tax imposed on Landlord's net income or profit. Lessee agrees that it shall be responsible for paying all general estate taxes, personal property taxes, excise taxes, business and occupational taxes and gross sales tax assessed to Lessee.

(2) Within ten (10) days after Landlord's receipt of a bill for Taxes from a taxing authority, Landlord shall furnish Lessee a copy of the bill for the Taxes. If any of the Taxes may be paid in installments without any additional penalty or interest assessment, then the Landlord shall pay such Taxes in the maximum number of installments permitted by law without penalty or interest. If any interest or penalty will result from such installment payments, Lessee shall either be obligated to pay such penalty and interest or notify Landlord in writing not to pay the Taxes by installment payment prior to the time Landlord has made the first installment payment. After receiving a copy of the bill for Taxes, Lessee shall make payment in full of the Taxes to Landlord or the appropriate taxing authority at least twenty (20) days before the Taxes are due and payable.

(3) In the event that Lessee shall fail to pay any Taxes pursuant to this Paragraph 7(b), after the same shall become due and payable, and such failure shall continue for five (5) days after written notice to Lessee by Landlord, Landlord shall have the right, at its option, to pay the Taxes with all interest and penalties thereon, and the amount so paid, with interest thereon from the date of such payment at the rate of ten percent (10%) per annum, shall be deemed to be additional rent hereunder and shall be due and payable by Lessee on the first day of the month following the month in which payment by Landlord was made.

(4) Landlord covenants to furnish to Lessee, within twenty (20) days after Landlord's receipt of Lessee's written request therefor, official receipts of the appropriate taxing authority of Taxes, if such receipts are then available to Landlord. If Lessee, at its option, pays taxes directly to a taxing authority, Lessee shall furnish evidence thereof to Landlord.

(5) After each payment of Taxes by Lessee to Landlord, Lessee, at Lessee's expense, shall have the right, within one (1) year after the date of its written notice to Landlord, during normal business hours at Landlord's office, to audit the books and records of Landlord relating to Landlord's payment of Taxes. In the event such audit shows that Landlord received any refunds for Taxes paid by Landlord for which Lessee has reimbursed Landlord, Landlord shall pay to Lessee the amount of such refund. In addition, Lessee, at Lessee's sole cost and expense shall have the right to contest or appeal to Fairfax County any assessment for Taxes paid by Landlord, and Landlord agrees to cooperate with Lessee if Lessee elects to pursue such appeal, provided that Lessee's right to appeal its assessment for Taxes shall not relieve Lessee of its obligation to make timely payments of Taxes as required herein. Any refund of taxes paid to the taxing authority for which Lessee has reimbursed Landlord, shall be immediately turned over to Lessee upon receipt of refund from the County of Fairfax.

(c) Insurance Costs. (1) Lessee shall, beginning on the Lease Execution Date and continuing thereafter during the entire term of this Lease including any exercised extensions, pay to Landlord all amounts to be paid by Landlord for Insurance Costs. For the purposes of this Lease "Insurance Costs" shall mean all costs incurred by Landlord as a result of Landlord's obligation with respect to obtaining and maintaining casualty insurance as set forth in Paragraph 15(d) herein during the Lease Term and any exercised extensions.

(2) Within ten (10) days after Landlord's receipt of a bill or invoice for Insurance Costs from the insurance carrier, Landlord shall furnish Lessee a copy of the bill or invoice for the Insurance Costs. After receiving a copy of the bill or invoice for the Insurance Costs, Lessee shall make payment in full of the Insurance Costs to Landlord at least twenty (20) days before the Insurance Costs are due and payable.

(3) In the event that Lessee shall fail to pay any Insurance Costs pursuant to this Paragraph 7(c), after the same shall become due and payable, and such failure shall continue for five (5) days after written notice to Lessee by Landlord, Landlord shall have the right, at its option, to pay the Insurance Costs with all interest and penalties thereon, and the amount so paid, with interest thereon from the date of such payment at the rate of ten percent (10%) per annum, shall be deemed to be additional rent hereunder and shall be due and payable by Lessee on the first day of the month following the month in which payment by Landlord was made.

#### 8. Repairs.

(a) Except as provided in this Lease with respect to condemnation and damages caused by casualty, Landlord agrees to keep the roof of the Demised Premises in proper repair and shall commence repairs within seven (7) days of receipt of notice from Lessee of the need for structural repairs and shall diligently pursue to completion such repairs to the Demised Premises consisting of the exterior walls, load bearing elements and foundations, and exterior underground water and sewer pipes to the Demised Premises (caused by structural defects but excluding ordinary stoppage or repairs which are the responsibility of any government agency or utility company) (the "Structural Components" or "Structural Component").